



2.1 (5) amounts paid for legend drugs, other than nutritional products and blood and  
2.2 blood components, to a wholesale drug distributor who is subject to tax under section  
2.3 295.52, subdivision 3, reduced by reimbursements received for legend drugs otherwise  
2.4 exempt under this chapter;

2.5 (6) payments received by a health care provider or the wholly owned subsidiary of a  
2.6 health care provider for care provided outside Minnesota;

2.7 (7) payments received from the chemical dependency fund under chapter 254B;

2.8 (8) payments received in the nature of charitable donations that are not designated  
2.9 for providing patient services to a specific individual or group;

2.10 (9) payments received for providing patient services incurred through a formal  
2.11 program of health care research conducted in conformity with federal regulations  
2.12 governing research on human subjects. Payments received from patients or from other  
2.13 persons paying on behalf of the patients are subject to tax;

2.14 (10) payments received from any governmental agency for services benefiting the  
2.15 public, not including payments made by the government in its capacity as an employer  
2.16 or insurer or payments made by the government for services provided under general  
2.17 assistance medical care, the MinnesotaCare program, or the medical assistance program  
2.18 governed by title XIX of the federal Social Security Act, United States Code, title 42,  
2.19 sections 1396 to 1396v;

2.20 (11) government payments received by the commissioner of human services for  
2.21 state-operated services;

2.22 (12) payments received by a health care provider for hearing aids and related  
2.23 equipment or prescription eyewear delivered outside of Minnesota;

2.24 (13) payments received by an educational institution from student tuition, student  
2.25 activity fees, health care service fees, government appropriations, donations, or grants,  
2.26 and for services identified in and provided under an individualized education program  
2.27 as defined in section 256B.0625 or Code of Federal Regulations, chapter 34, section  
2.28 300.340(a). Fee for service payments and payments for extended coverage are taxable;

2.29 (14) payments received under the federal Employees Health Benefits Act, United  
2.30 States Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of  
2.31 1990. Enrollee deductibles, coinsurance, and co-payments are subject to tax; ~~and~~

2.32 (15) payments received under the federal Tricare program, Code of Federal  
2.33 Regulations, title 32, section 199.17(a)(7). Enrollee deductibles, coinsurance, and  
2.34 co-payments are subject to tax; and

2.35 (16) payments for laboratory services to examine and report results for a biological  
2.36 specimen that is collected outside the state.

**S.F. No. 687, 1st Engrossment - 87th Legislative Session (2011-2012) [S0687-1]**

3.1 (b) Payments received by wholesale drug distributors for legend drugs sold directly  
3.2 to veterinarians or veterinary bulk purchasing organizations are excluded from the gross  
3.3 revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.

3.4 **EFFECTIVE DATE.** This section is effective for gross revenues received from  
3.5 laboratory services provided on or after July 1, 2013.